

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **August 13, 2002**

AGENDA ITEM NO.: **21**

CONSENT:

REGULAR: **X**

CLOSED SESSION:

ACTION: **X**

INFORMATION:

(Confidential)

ITEM TITLE: **U.S. Department of Transportation Small Community Air Service Grant**

RECOMMENDATION:

Adopt a resolution appropriating \$600,000 in anticipated grant and matching funds and authorizing the City Manager to execute a grant agreement with the U.S. Department of Transportation (DOT).

SUMMARY:

In February 2002, the U.S. Department of Transportation (DOT) solicited proposals from small communities for federal financial assistance under a Congressionally-authorized Small Community Air Service Development Pilot Program. Under the program, a total of \$20 million is to be shared among 40 communities throughout the country in the form of direct financial assistance to enhance local air service through public-private partnerships in the wake of events of September 11, 2001.

Accordingly, in April 2002, the Lynchburg Regional Airport, with support from the Lynchburg Regional Chamber of Commerce's Air Service Development Partnership, submitted a grant proposal for \$500,000. The proposal stipulated that the grant would be used as a financial incentive to targeted incumbent airlines for air service upgrades, particularly regional jet service. In addition to the \$500,000, the airport and community will provide a total of \$100,000 in community-generated funds. Out of the resulting \$600,000 in total funds, \$525,000 would be used for airline revenue guarantees and \$75,000 for marketing and advertising.

On June 26, 2002, the DOT issued its order awarding grants, selecting Lynchburg Regional Airport as one of the participants among a total of 179 proposals received nationwide. Once the grant is executed, it is anticipated that airport and Chamber staff, along with a representative of the Air Service Development Partnership, will hold initial negotiations with the airlines in September 2002.

PRIOR ACTION(S): Finance & Planning Committee, August 6, 2002

FISCAL IMPACT:

No impact on City budget. The \$100,000 local match requirement will be met through a combination of community-generated funds, a portion of which may be provided through the airports' existing operating (marketing) budget.

CONTACT(S): Mark F. Courtney, 582-1150 extension 222, Airport Manager

ATTACHMENT(S): 1) Resolution

REVIEWED BY: lkp

RESOLUTION

BE IT RESOLVED That \$600,000 is appropriated to the Airport Projects Grant Fund for expenditures associated with a U.S. Department of Transportation Small Community Air Service Grant with reimbursement of \$500,000 from the Department of Transportation and \$100,000 from contributions; and,

BE IT FURTHER RESOLVED That the City Manager is authorized to execute the necessary documents for this grant; and,

BE IT FURTHER RESOLVED That the Financial Services Director is authorized to provide temporary loans as necessary to fund this project.

Introduced:

Adopted:

Certified:

Clerk of Council

158L